FLEISCHMAN AND WALSH, L. L. P.

ATTORNEYS AT LAW
A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

AARON I. FLEISCHMAN

FLEISCHMAN AND WALSH, P. C.
CHARLES S. WALSH
ARTHUR H. HARDING
STUART F. FELDSTEIN
RICHARD RUBIN
JEFFRY L. HARDIN
STEPHEN A. BOUCHARD
R. BRUCE BECKNER
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MARK F. VILARDO
PETER J. BARRETT
KIMBERLY A. KELLY
ROBERT E. STUP, JR. **
DONALD N. DOWIE, JR. ***

* VIRGINIA BAR ONLY
** PENNSYLVANIA BAR ONLY
*** WASHINGTON AND MARYLAND BARS ONLY

1400 SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20036

(202) 939-7900
FACSIMILE (202) 745-0916
INTERNET fw_law@clark.net

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JUN 28 1996
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

June 28, 1996

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Re: CS Docket No. 96-85: Implementation Of Cable Act Reform Provisions Of The Telecommunications Act Of 1996

Dear Mr. Caton:

Enclosed for filing with the Commission please find and original and eleven copies of Reply Comments submitted in the above-referenced proceeding by Fleischman and Walsh, L.L.P. on behalf of the various cable television interests listed therein. In accordance with the Public Notice dated March 22, 1996, two copies have been annotated as "Extra Public Copy."

If there are any questions regarding this matter, please communicate directly with the undersigned.

Sincerely,

Seth A. Davidson

Enclosures

cc: ITS
Nancy Stevenson/FCC

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BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
Implementation of Cable Act Reform Provisions of the Telecommunications Act of 1996	)	CS Docket No. 96-85

REPLY COMMENTS

ADELPHIA COMMUNICATIONS CORPORATION
ARIZONA CABLE TELECOMMUNICATIONS ASSOCIATION
CENTURY COMMUNICATIONS CORPORATION
CHARTER COMMUNICATIONS, INC.
INSIGHT COMMUNICATIONS CO.
STATE CABLE TV CORP.
SUBURBAN CABLE TV CO. INC.

Aaron I. Fleischman
Seth A. Davidson
Regina F Pace

Their Attorneys

Fleischman and Walsh, L.L.P.
1400 Sixteenth Street, N.W., Suite 600
Washington, D.C. 20036
202/939-7900

Dated: June 28, 1996

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SUMMARY

The comments in this proceeding comprehensively addressed a wide range of issues relating to the impact of the Telecommunications Act of 1996 on the regulation of cable television. With respect to a number of these issues, particularly those relating to the new effective competition standard, local franchising authorities and cable operators appear to be in general agreement. Where disagreements have arisen the Commission should seek to resolve them in a manner that will best serve the deregulatory intent of the 1996 Act's Cable Act reform provisions.

In particular, the Commission should

- streamline the process of determining whether effective competition is present under the new statutory standard by adopting an expedited timetable for resolution of effective competition petitions, by conditionally deregulating operators while such petitions are pending, and by establishing rebuttable presumptions and *prima facie* evidentiary standards;

- streamline the CPST rate review process by requiring franchising authorities to promptly notify cable operators of subscriber complaints and by giving franchising authorities 30 days from the date of the operator's response to such complaints to decide whether to seek Commission review of the CPST rate in question;

- acknowledge that Congress has preempted non-federal requirements regarding the form of written notice that cable operators must provide subscribers regarding rate and service changes;

- establish an objective, administratively manageable threshold showing standard as a means of determining whether a complainant has made out a *prima facie* case of MDU predatory pricing; and

- construe the small system rate relief provisions broadly to exclude passive investments and to provide for transitional and "grandfathering" mechanisms that minimize confusion and preserve the value of small systems.

BEFORE THE

Federal Communications Commission

WASHINGTON, DC 20554

In the Matter of	)	
	)	
Implementation of Cable	)	CS Docket No. 96-85
Act Reform Provisions of the	)	
Telecommunications Act of 1996	)	

REPLY COMMENTS

The law firm of Fleischman and Walsh, L.L.P. ("F&W"), on behalf of the cable operators and associations cited below,[1] hereby submits its reply comments in the above-captioned proceeding.[2] The initial comments filed in this proceeding (including those submitted by F&W) comprehensively addressed a wide range of issues relating to the impact of the Telecommunications Act of 1996 (also referred to herein as the "1996 Act") on the regulation of cable television. Moreover, unlike the highly contentious rulemaking proceedings that followed the enactment of the Cable Television Consumer Protection and Competition Act of 1992, the comments in the instant proceeding reveal a significant level of agreement between cable operators and franchising authorities with respect to many of the

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[1]The cable operators and associations joining in these comments are: Adelphia Communications Corporation; Arizona Cable Telecommunications Association; Century Communications Corporation; Charter Communications, Inc.; Insight Communications Co.; State Cable TV Corp.; and Suburban Cable TV Co. Inc.

[2]In the Matter of Implementation of Cable Act Reform Provisions of the Telecommunications Act of 1996, CS Docket 96-85 ___ FCC Rcd ___, (rel. April 9, 1996) ("Notice").

issues presented, particularly those relating to the new effective competition standard established by the 1996 Act [3]

In light of the comprehensive nature of the initial comments and the significant level of consensus reflected therein, F&W will limit its reply comments to the following specific issues: the need for streamlining in the resolution of effective competition petitions and CPST rate complaints; the unenforceability of state and local regulations dictating the form of written subscriber notice; the adoption of an administratively manageable MDU predatory pricing standard that comports with federal antitrust standards; and the implementation of the small system rate relief provisions. With respect to each of these issues, it is crucial that the Commission adopt clear and precise rules to reduce the potential for disputes that could frustrate the deregulatory intent of the 1996 Act's Cable Act reform provisions.

I. THE COMMISSION SHOULD ADOPT F&W'S PROPOSALS FOR STREAMLINING THE PROCESS OF DETERMINING THE PRESENCE OF EFFECTIVE COMPETITION UNDER THE NEW STATUTORY TEST.

Stressing the importance of regulatory certainty, F&W's initial comments urged the Commission to adopt certain modifications to the agency's interim rules for resolving petitions asserting the presence of effective competition under the new statutory standard

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[3]For example, the Massachusetts Cable Television Commission ("Massachusetts Commission"), the New York State Department of Public Service ("New York State"), and the New Jersey Department of Law and Public Safety ("New Jersey") all agree with numerous cable industry commenters that Congress did not intend any for the new effective competition standard to be subject to a "pass" or "penetration" test. And both New York State and the Massachusetts Commission support the use of the Title I affiliation test and the aggregation of LEC-interests in applying the new effective competition test.

While other commenters made similar suggestions,[4] F&W believes that its specific proposals represent the most effective means of streamlining the effective competition determination and, thus, should be adopted by the Commission

First, the Commission should establish an expedited timetable for the review and resolution of petitions asserting the presence of effective competition under the new statutory standard. The schedule currently contained in Section 76.915 of the Commission's rules governing local franchising authority determination of petitions alleging a change in a cable operator's regulatory status provides an appropriate model: oppositions due 15 days following public notice of the petition; replies due seven days thereafter; and the issuance of a decision by the Commission within 30 days after the close of the pleading cycle.[5] Moreover, the petition should be deemed granted immediately in the absence of a timely opposition or upon the submission to the Commission of written concurrences by or on behalf of all of the affected (i.e., certified) local franchising authorities.

Second, the Commission should adopt a conditional deregulation procedure whereby cable operators would be relieved of BST and CPST rate regulation immediately upon the filing and service of a petition asserting the presence of effective competition under the new standard. As F&W noted in its initial comments, the Commission's rules already provide for an automatic stay of rate regulation upon the filing of a timely petition for reconsideration of an LFA's certification to regulate BST rates. 47 CFR § 76.911(c). Given that Congress

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[4]See Cole, Raywid & Braverman Comments at 3, 7; NECTA Comments at 15-17.

[5]Public Notice of a petition should rarely, if ever, occur later than one week after the filing of the petition.

effectively has found that the presence of a LEC-affiliated competitor negates the Commission's ordinary presumption that cable operators are not subject to effective competition, an extension of the automatic stay approach to effective competition petitions brought under the new statutory standard is entirely appropriate.

Third, the Commission must ensure that burdensome evidentiary requirements do not frustrate or unnecessarily delay attempts by cable operators to establish the presence of effective competition under the new statutory standard. For example, as F&W suggested in its initial comments, the Commission should deem references to broadcast signals on channel line-up cards to be *prima facie* evidence that a competing distributor is providing access to "comparable" programming. Indeed, in order to streamline the process of establishing the presence of effective competition, there should be a rebuttable presumption that a competitor is "offering" service in a particular area if the competitor is distributing marketing materials within that area. This approach shifts the burden to the competitor (who is in the best position to know the facts) to demonstrate that its service, though marketed, is not actually being offered; furthermore, it eliminates costly and burdensome information-gathering requirements regarding subscribership and signal strength that might otherwise impede the prompt deregulation of cable operators that are facing effective competition under the new standard.[6]

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[6]At very least, the Commission should adopt suggestions that Form 430 be revised so as to require wireless cable licensees to provide information regarding LEC investment in the licensee and/or in the entity providing service over the licensee's facilities.

II. THE COMMISSION SHOULD STREAMLINE THE PROCESS FOR RESOLVING CPST RATE COMPLAINTS.

One of the few areas of substantial disagreement between cable operators and franchising authorities arising in this proceeding relates to the implementation of the 1996 Act's provisions modifying the CPST rate complaint process. Several franchising authorities have asserted that the Commission's interim rules, under which a franchising authority (having received the requisite number of subscriber complaints) has 180 days from the effective date of a CPST rate increase to seek Commission review of the increase, is too restrictive and have argued that there should be no deadline for the commencement of a CPST rate proceeding.[7] In contrast, many cable commenters, including F&W, have argued that the interim rules create an unnecessarily long period of regulatory uncertainty and have proposed modifications that would shorten the period in which a local franchising authority must act.

Without question, the cable commenters have the better case. In particular, the fact that the 1996 Act expressly directs the Commission to resolve CPST cases within 90 days demonstrates the strong Congressional interest in regulatory certainty and, therefore, supports proposals to streamline the interim rules. Moreover, in modifying the CPST complaint process, Congress gave no indication that it intended to shift responsibility for resolving CPST rate cases from the Commission to local franchising authorities or to otherwise assign local officials a role in assessing the merits of a CPST rate increase. Consequently, there is

[7]New York City Comments at 16-17; Greater Metro Cable Consortium Comments at 2-4.

no need for the Commission to give local officials an open-ended or extended period to consider whether to institute a CPST rate case

Alone among the various suggestions that have been submitted to the Commission for shortening the CPST rate complaint process, F&W's proposal has the advantage of both minimizing delay and ensuring that local officials have sufficient time to consider whether to pursue a CPST rate case. Specifically, under F&W's proposal, local franchising authorities would always have 30 days to decide whether to pursue a CPST rate case at the Commission. This 30-day period would begin to run as soon as the franchising authority received the cable operator's response to its receipt from the franchising authority of two written subscriber CPST rate complaints (but in no case more than 30 days after the operator's receipt of the complaints). The franchising authority would be required to provide the operator with copies of the subscriber complaints within 10 days of their receipt by the franchising authority.

There are several advantages to this approach. First, the requirement that the local franchising authority provide the cable operator with copies of the subscriber complaints within 10 days of their receipt not only will put the cable operator on notice of its potential refund liability, but also will allow the operator to assess the merits of the complaint and take any action it deems appropriate to respond to the concerns being expressed by its subscribers.[8] Second, the fact that franchising authorities always will have 30 days to decide

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[8]F&W agrees with those commenters who have urged the Commission to make clear that only the receipt by a franchising authority of written subscriber complaints can trigger a CPST rate case. See, e.g., NCTA Comments at 26. Absent a written record, it likely will

(continued...)

whether to institute a CPST rate case will ensure that local officials have a reasonable opportunity to take any steps that may be required under state and local law as a predicate to such action.[9]

Finally, F&W's approach has the advantage of giving cable operators the incentive to respond to subscriber complaints as quickly as possible. For example, assume that two written subscriber complaints are received by a franchising authority within 5 days of a CPST rate increase and are forwarded to a cable operator 10 days thereafter. If the operator in such a case chooses not to wait 30 days to respond, but rather responds within five days, it will ensure that the status of its rate increase will be finally resolved no later than 140 days after the increase took effect.[10] Even if the requisite subscriber complaints were not received by the local franchising authority until the 90th day after the increase took effect, the operator still could ensure that the reasonableness of the increase would be resolved by the Commission within 225 days.[11] By shortening the period of time during which the

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[8](...continued)
be impossible to distinguish between legitimate complaints about CPST rates and complaints about other matters, such as BST and equipment rates, customer service, etc. See also F&W Comments at 20.

[9]F&W notes that the Commission's rules currently give local franchising authorities 30 days to take some form of action (either a rate order or a tolling order) with respect to proposed Form 1210 BST rate increases. See 47 CFR § 76.933(a).

[10]Fifteen days for the franchising authority to receive complaints + 10 days to forward complaints to the cable operator + 5 days for the operator to respond to the franchising authority + 30 days for the franchising authority to file a complaint + 90 days for the FCC to resolve the complaint.

[11]Ninety days for local franchising authority to receive complaints + 10 days to forward complaints to cable operators + 5 days for the cable operator to respond to the franchising
(continued...)

status of a CPST rate increase remains uncertain, the F&W proposal minimizes the risk of regulatory "pile-ups" of the sort that unfortunately characterized the CPST rate complaint process under the 1992 Cable Act and that led Congress to reform that process in the 1996 Act.[12]

III. THE COMMISSION SHOULD ACKNOWLEDGE THAT CONGRESS HAS PREEMPTED ENFORCEMENT OF NON-FEDERAL REQUIREMENTS REGARDING THE FORM OF SUBSCRIBER NOTICE OF RATE AND SERVICE CHANGES.

In its initial comments, F&W discussed the establishment, in Section 301(g) of the 1996 Act, of a new federal standard with respect to the provision by cable operators of written notice to subscribers regarding service and rate changes. F&W predicted that, absent a clear declaration by the Commission of the preemptive force of Section 301(g), disputes were likely to arise between state and local officials and cable operators with regard to the enforceability of more stringent notice obligations adopted under the guise of non-federal "consumer protection" laws Sad to say, F&W's prediction already has been borne out.

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[11](...continued)
authority + 30 days for the franchising authority to file a complaint + 90 days for the FCC to resolve the complaint.

[12]See, e.g., H.R. Rep. No. 204 104th Cong., 1st Sess. 108 (1995) (indicating Congressional determination that CPST rate cases have not been processed in a timely manner). The "regulatory pile-up" referred to above occurs where a rate increase is implemented before the reasonableness of a prior increase has been finally adjudicated, thereby compounding the uncertainty faced by the cable operator. Congress, having addressed this problem by setting a 90 day deadline for the FCC to decide CPST rate cases, hardly could have intended to allow local officials to create the same problem by unduly delaying the commencement of CPST rate cases.

In particular, New York State has argued that Section 301(g) of the 1996 Act does not preempt local franchising authorities from requiring cable operators to provide specific types of written notice despite the fact that the federal law has been amended to place the manner of notification within the "sole discretion" of the cable operator.[13] In support of its argument, New York State points to the fact that Section 301(g) amends Section 632 of the Communications Act. That provision, while directing the Commission to promulgate minimum federal customer service standards, expressly permits state and local governments to enforce consumer protection laws that impose requirements exceeding the minimum standards adopted by the Commission, and allows cable operators to agree to more strict customer service standards as part of any franchise agreement.

The flaw in New York State's argument is that any attempt by a state or local government to regulate the form of a cable operator's written notice to its subscribers is inherently inconsistent with Congress' unambiguous declaration that decisions regarding such notice will be left to the operator's "sole discretion" and, thus, must be deemed to have been preempted.[14] Moreover, the provisions regarding subscriber notice added to Section 632 by

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[13]New York State Comments at 11-15.

[14]It is noteworthy that the Commission, in implementing the 1992 Cable Act, held that Congress had intended to preempt franchise provisions that mandated the provision of a "big basic" tier (i.e., a basic tier containing more than the statutorily mandated minimum components). Report and Order and Further Notice of Proposed Rulemaking, MM Docket No. 92-266, 8 FCC Rcd 5631, 5738-39 (1993). In reaching this conclusion, the Commission pointed to language in the legislative history indicating that Congress intended to leave it to the cable operator to "choose" whether to provide additional services on the basic tier. Id. In the instant situation, the evidence of Congressional intent to preserve the cable operator's discretion against governmental intrusion is evident on the face of the statute and, therefore, is even more compelling.

the 1996 Act do not merely delegate authority to the Commission to adopt non-preemptive standards. Rather, they expressly limit and supersede the authority of all levels of government -- federal, state or local -- to control the manner in which notice of rate and service changes is provided to subscribers. The fact that Congress, with respect to other matters, has not dictated specific customer standards in no way changes the preemptive nature of its actions regarding subscriber notice.[15]

IV. THE COMMISSION SHOULD LOOK PRIMARILY TO FEDERAL ANTITRUST LAW IN REVIEWING MDU PREDATORY PRICING CLAIMS.

F&W's initial comments generally supported the application of standards developed under the federal antitrust laws in the adjudication of MDU predatory pricing claims under Section 623(d) of the Communications Act, as amended by the Telecommunications Act of 1996. F&W continues to support such an approach. However, in order to minimize the burdens that a full-fledged antitrust approach might create, F&W also believes that the Commission should adopt an objective, administratively manageable threshold showing requirement as a means of determining whether a complainant has made out a *prima facie* case of MDU predatory pricing.

F&W's position on the resolution of MDU predatory pricing complaints is echoed in the comments of several other parties. On the other hand, several commenters oppose the application of federal antitrust principles to predatory pricing allegations. These commenters

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[15]Section 636(c) of the Communications Act, 47 USC § 556(c), expressly provides that "any provision of law of any State, political subdivision or agencies thereof, or franchising authority, or any provision of any franchise granted by such authority, which is inconsistent with this chapter shall be deemed to be preempted and superseded."

generally have recommended that the Commission adopt a more complex standard for making a *prima facie* showing of predatory pricing.[16] For example, ICTA would have the Commission establish a test under which a showing that a cable operator's discounted price varies by 10 percent or greater as between "like MDUs" in a franchise area would trigger an obligation for the cable operator to prove an economic justification for the price differential.[17] Such a process is not only administratively burdensome, but would essentially reintroduce the "uniformity" requirement which Congress intentionally eliminated in the 1996 Act.

Another cable competitor, U.S. Wireless, contends that the Commission's review of MDU predatory pricing allegations should consider the cost of programming because large cable operators may obtain substantial discounts on programming that are not available to private and wireless cable operators. U.S. Wireless essentially would have the Commission protect less efficient wireless and private cable operators by preventing more efficient distributors from passing on their efficiencies to subscribers. Such an approach inappropriately seeks to protect competitors, not competition, and should be rejected.[18]

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[16]See, e.g., ICTA comments at 17-18; U S. Wireless comments at 6-7; OpTel comments at 9-10.

[17]ICTA Comments at 17. ICTA further proposes that the term "like MDUs" be defined more strictly than it is under current Commission rules. See id. at 18.

[18]See, e.g., Arthur S. Langenderfer, Inc. v. S.E. Johnson Co., 729 F.2d 1050, 1055 (6th Cir. 1984) ("[i]f a producer has achieved greater efficiency due to his economies of scale, it would be contrary to the purposes of the Antitrust laws to require that he price his product at a level higher than what he requires to make a profit"), cert. denied, 469 U.S. 1036 (1984); California Computer Products, 613 F.2d at 742 ("the Sherman Act is meant to protect the competitive process, not competitors").

V. THE COMMISSION SHOULD CONSTRUE THE SMALL SYSTEM RELIEF PROVISIONS BROADLY SO AS TO PRESERVE THE VIABILITY AND VALUE OF SUCH SYSTEMS.

The Commission's principal concern in implementing the small system rate deregulation provisions of the 1996 Act should be to ensure that legitimate small cable operators in need of regulatory relief are not excluded by the application of rigid and narrow ownership and affiliation criteria.[19] F&W agrees with the many commenters who have advocated the implementation of affiliation rules that would exclude passive investments and/or would limit application of the $250 million gross annual revenue limitation to cable-related revenues only.[20] Likewise, F&W agrees that in light of the eventual deregulation of all CPST rates in 1999, small operators who qualify for rate deregulation should not be subjected to reregulation in the event that their subscriber counts or gross annual revenues subsequently exceed the caps established by the statute to qualify for small operator relief.[21]

A few commenters have urged a narrow construction of the scope of the small cable operator rate relief embodied in Section 301(c) of the 1996 Act. These commenters argue that (1) all revenues from affiliates, regardless of whether or not cable-related, should be

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[19]See, e.g., Cole, Raywid & Braverman comments at 8-9; CATA comments at 5-6; and Small Cable Business Association comments at 5.

[20]These positions have been broadly supported by telephone companies (BellSouth comments at 4-6; USTA comments at 13-14); cable operators (CATA comments at pp 4-5; Cole, Raywid & Braverman comments at 12-16; FrontierVision comments at pp. 3-8; Small Cable Business Association comments at 13-18; the National Cable Television Association comments at 36-38); and even by at least one state regulatory authority (State of New York comments at 27-29).

[21]Time Warner comments at 44-46; the Cable Telecommunications Association comments at 6-7; Cole, Raywid & Braverman comments at 16; National Telephone Cooperative Association comments at 4-5; and the New York State comments at 28.

included in determining whether the $250 million annual threshold is met; 2) a deregulated system should become immediately subject to reregulation in any case where the cable operator no longer meets the small operator criteria; 3) systems meeting the criteria for deregulation as of February 8, 1996 should not be grandfathered once they are sold to a larger MSO; and 4) any refund liability for excessive rates should extend back to the date the operator no longer meets the small operator definition.[22] These positions are inconsistent with the deregulatory thrust of Section 301(c) and should be rejected

It would run counter to the statutory purpose to deny the benefits of deregulation to an otherwise qualified small cable operator merely because of its affiliation with a company having in excess of $250 million of gross annual revenues where those revenues are derived from businesses totally unrelated to the provision of cable service. Small operators who happen to be associated with companies that are not in the cable business, regardless of the size of those companies, still face many of the same impediments and hardships faced by small cable operators that are unaffiliated with any such companies. For example, a small cable operator affiliated with a company having non-cable revenues in excess of $250 million annually does not realize any economies of scale derived through system clustering, such as shared personnel, common marketing and other expense reductions that are normally afforded by such clustering. Similarly, these small cable operators do not receive more favorable terms from their programmers by virtue of any affiliation with non-cable entities.

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[22]See Assistant Administrator for Size Standards of the USSBA comments at 3-4; and Massachusetts Cable Television Commission comments at 9; City of Fairfield, California comments at 1-2.

Denying the benefits of deregulation to small cable operators who affiliate with non-cable entities places small operators in the unenviable position of having to accept burdensome rate regulation as the price of obtaining access to the capital needed to survive and grow their businesses in an increasingly competitive telecommunications environment.

The Commission should not create regulatory disincentives to the growth of small cable operators by subjecting their systems to reregulation in the event that they subsequently exceed the numerical or revenues thresholds that initially qualified them for regulatory relief. As the Commission has already recognized, "the small cable operator provisions of the 1996 Act . . . have the . . . intent of minimizing regulation and ensuring access to needed capital for smaller cable entities."[23] To penalize small operators for effectively serving their subscribers and strengthening their companies by subjecting them to reregulation would subvert the intent of the underlying statutory relief provided by such operators. Indeed, such reregulation would do nothing other than result in needless confusion. Complete CPST rate deregulation is scheduled to occur in less than three years. It would constitute an unjustifiable hardship to subject a small cable operator who previously qualified for deregulation to the burdens of regulation when CPST rate deregulation could be as little as a few months away.

The Commission should also make clear that any system operated by a small cable operator which was deregulated under the 1996 Act remains eligible for deregulation even if the cable operator subsequently affiliates with a company whose growth annual revenues

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[23]Notice at ¶ 26.

exceed $250 million or if the system is acquired by a company that exceeds the 1 percent subscriber limit. Such an approach would be entirely consistent with the deregulatory relief afforded to small operators under the Commission's existing rate regulations.[24]

Lastly, in the event the Commission decides to subject small systems to reregulation if they subsequently fail to meet the ownership or subscriber limits contained in the statute, the Commission must allow the small system rate previously in effect to be grandfathered. Any future rate increases could be governed by the price cap methodology applicable to acquiring company. This approach is most consistent with existing Commission policy applicable to small systems' streamlined cost of service showings.[25] Putting a small system's existing rate in jeopardy in cases where the system may be acquired by a larger operator serves only to create impediments and disincentives to the system growth and clustering which are necessary to allow cable operators to compete effectively with telephone companies and other large entities in the delivery of video and telecommunications services.

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[24]See Sixth Report and Order and Eleventh Order on Reconsideration, MM Docket Nos. 92-266 & 93-215, 10 FCC Rcd 7393 (1995) at ¶ 73.

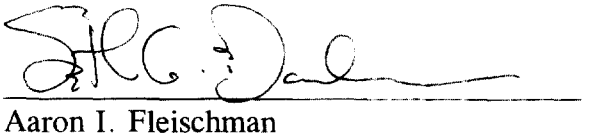
[25]Id.

VI. CONCLUSION.

With the passage of the Telecommunications Act of 1996, the development of competition in the video programming distribution market is accelerating rapidly. F&W urges the Commission to move expeditiously to address the issues presented in this proceeding in a manner that fulfills the deregulatory intent underlying the Cable Act reform provisions in the 1996 Act.

Respectfully submitted,

ADELPHIA COMMUNICATIONS CORPORATION
ARIZONA CABLE TELECOMMUNICATIONS ASSOCIATION
CENTURY COMMUNICATIONS CORPORATION
CHARTER COMMUNICATIONS, INC.
INSIGHT COMMUNICATIONS CO.
STATE CABLE TV CORP
SUBURBAN CABLE TV CO. INC.



Aaron I. Fleischman
Seth A. Davidson
Regina F. Pace

Their Attorneys

Fleischman and Walsh, L.L.P
1400 Sixteenth Street, N.W. Suite 600
Washington, D.C. 20036
202/939-7900

Dated: June 28, 1996